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IN THE

Supreme Court of the United States

OCTOBER TERM, 1983

KIMBERLY-CLARK CORPORATION,

Petitioner,

VS.

PETER GABOR KALMAN,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

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RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

Respondent, Peter Gabor Kalman, respectfully requests that this Court deny the petition for writ of certiorari seeking review of the opinion of the Court of Appeals for the Federal Circuit in this case, reported at 713 F. 2d 760.

REASONS WHY THE WRIT SHOULD BE DENIED

Foreword

Petitioner seeks review of a decision of the Court of Appeals for the Federal Circuit (CAFC) which is not in conflict with the holding of this Court in *Graham v. John Deere Co.*, 383

U. S. 1 (1966). The so-called "Question Presented For Review" stated in the Petition for Certiorari does not arise from the record in this case. Rather, the question is nothing more than a poorly veiled attempt by Petitioner to have this Court reconsider Findings of Fact—unfavorable to Petitioner—made by the District Court and affirmed by the Court of Appeals below. Both courts applied the accepted principles and rules of patent law to the credible evidence before them keeping in mind the admonitions of this Court, particularly as found in *Graham v. John Deere, supra*.

The so-called "Question" is simply artificial. It is based on the false premise that the combination of method steps or structure elements of the Kalman patent claims are "admittedly obvious in view of the prior art".

THE QUESTION PRESENTED FOR REVIEW DOES NOT ARISE

By this question, Petitioner appears to contend that the CAFC did not apply the procedures for determining patentable invention set forth in *Graham v. John Deere, supra*, because the CAFC did not accept Petitioner's argument in its vain attempt to overcome the District Court's Findings of Fact. The gist of Petitioner's question is that the Court of Appeals did not accept Petitioner's argument that the Kalman patented invention was "admittedly obvious in view of the prior art", but instead, sustained the District Court's decision that the Kalman patent was valid only on the basis of alleged "secondary considerations" or "subtests" of unobviousness.

Petitioner has studiously avoided the fact that the tests of *Graham* were carefully adhered to by the Trial Court and each of the elements of factual inquiry were made by that Court as required by *Graham*; and that the CAFC affirmed with proper regard of Rule 52(a), Federal Rules of Civil Procedure, that Findings of Fact shall not be overruled unless clearly erroneous. Only after the CAFC applied the tests of *Graham* and found the

invention nonobvious in view of the prior art, did the CAFC further hold that the so-called "secondary considerations" of record provided added "indicia of unobviousness". This Petition is nothing more than a disgruntled attempt to overcome a well-reasoned Court of Appeals opinion which is amply supported by the evidence in the case.

STATEMENT OF THE CASE

This case presents the ordinary, usual issues of a patent infringement action. No novel or unsettled questions of patent law were raised or decided, nor has a question been decided in conflict with any decision of this Court. The District Court devoted four days to the trial, heard the testimony of eight "live" witnesses, and those of others who testified by deposition. Both sides presented comprehensive briefs and proposed findings. In addition, the Trial Court observed demonstrations of several filtering devices involved. A pre-trial motion for summary judgment gave the Trial Court additional opportunity to determine an infringement issue. In fact, upon Petitioner's motion, the Court of Appeals observed a videotaped demonstration of an alleged prior art screen changer before the appeal argument of the parties.

Prominent among the live witnesses were: Peter G. Kalman, the named patentee of the patent in suit; George E. Pickering, a highly qualified engineer skilled in the art at the time of the Kalman invention; John D. Alroy, an engineer who distributes the patented filter devices in the United States; Gerald Berlyn, President of The Berlyn Corporation, the company that manufactured the filter devices held to infringe the Kalman patent; Don A. Fischer, a patent attorney who testified as technical expert for Petitioner; and Philip E. Kennen, a technician employed by The Berlyn Corporation. Deposition testimony, including that of John Moziek, patentee of the principal prior art patent asserted by Petitioner, also was used by the District Court. From the testimony of these men, the

District Court was able to make the factual judgment of the level of skill in this art—and this showed that the so-called patented contribution was nonobvious. It was only after that factual judgment of nonobviousness was made, did the Court of Appeals refer to such considerations as commercial success and long felt but unsolved needs as further indicia of unobviousness.

The Statement of the Case set out by Petitioner is quite distorted when compared with the Findings below. For instance, Petitioner brushes aside the fact that the plastic material being extruded through the filter screen is the material that forms the sealing plugs of the invention. Kalman does not teach use of separate closure valves which must be manipulated as taught by Moziek. Petitioner does not state that the real party in interest who manufactured the accused filter screen changers and who solely financed and conducted the trial litigation and appellate proceedings on behalf of K-C was The Berlyn Corporation and that Gerald Berlyn, the President, testified at the trial in the District Court.

That the Court of Appeals followed the holding of *Graham v. John Deere, supra*, is easily comprehended from the Court's following words (Appendix pp. 22-23):

"The district court began its discussion of obviousness by noting the inquiries mandated by *Graham v. John Deere Co.*, 383 U. S. 1, 17 (1966), which inquiries are simply those required by the statute itself, 35 USC 103.

"With respect to the scope and content of the prior art, the court concluded

"* * * that the prior art shows variations and incremental improvements on the slide screen changer for filtering thermoplastics and includes various forms of continuous filters for other media which are somewhat easier to handle than thermoplastics. However, none of the prior art reveals a way to use a continuous filter with plastics. Specific problems not provided for by the prior art include, for instance, the problem of how to prevent leakage at the inlet and outlet ports.

The step forward taken by Kalman solves several problems at once: prevention of leakage; continuous filtering; and maintenance of constant temperature and pressure in the plastic upstream'.

"The court next said that the level of skill in the art is determined in a number of ways and quoted the following from *Malsbary Mfg. Co. v. Ald, Inc.*, 447 F. 2d 809, 811, 171 USPQ 7, 8 (7th Cir. 1971):

"* * * the usual way of determining such level is by referring to the subjective reaction of a person thoroughly familiar with the particular art and, if possible, one who practiced the art at the crucial time in question'.

The court then stated that 'Mr. George Pickering, plaintiff's expert, is such a person, and his testimony leads me to conclude that Kalman's invention would not have been obvious to a person of ordinary skill in the art at the time of the invention. Those persons of ordinary skill simply did not see a solution to the problems inherent in filtering plastics.' Finally in support of its determination, the court stated that the 'Autoscreen' devices 'built under' Kalman's patent 'have enjoyed commercial success. Mr. Gerald Berlyn, in fact, attempted to become a licensee for Autoscreens before he built his own machine'."

The columnar argument presentation by Petitioner (Petition pp. 10-13) are the same arguments made to the Trial Court and CAFC. Both Courts rejected Petitioner's argument. This argument is nothing new.¹

¹ On page 87 of Appendix, Petitioner did not supply the complete answer to the last question. Omitted was the following:

"In Moziek's depositions he mentioned that he got considerable leakage in here. But it was hot. From all the conducted heat that would come out of here. So, it's a heat conduction question. How much cold, how much heat."

After reviewing each prior art patent relied upon by Petitioner and considering Petitioner's contentions, including the listed questions and answers repeated in its Petition for Certiorari (Petition pp. 13-14), the Court of Appeals stated [Appendix pp. 26-27]:

"We cannot agree, however, that this is sufficient to defeat Kalman's claims. K-C's arguments are directed to various hypothetical combinations of prior art and amount to nothing more than hindsight reconstructions. They fail to focus on other evidence respecting the *non-obviousness of Kalman's claimed invention*." (emphasis added)

There was a clear and positive determination of nonobviousness and a refutation of Petitioner's contention that the Kalman invention was admitted to be obvious.

The Court of Appeals then concluded [Appendix p. 27]:

The district court found, based upon testimony given at trial, that several long-standing problems were solved by Kalman. At that time, the court concluded, 'those persons of ordinary skill simply did not see a solution to the problems inherent in filtering plastics.' Although KC responds that "None of these elements form a part of the claimed Kalman invention," it has not established that these advantageous results are not attributes of (i.e., that they have no nexus to) the claimed invention, which resides in a *combination* of steps or elements. Accordingly, we hold none of the findings of the district court to be clearly erroneous. Its decision holding that the claims in suit have been infringed by KC and that KC has failed to sustain its burden to show them invalid is *affirmed*."

ARGUMENT

As we stated earlier, this is not a case involving any new, unusual issues of law. It is simply an attempt by an unsuccessful Defendant and its indemnifying manufacturer of the infringing machines to have this Court make new findings of Fact and overturn those which were made by a competent District Court and affirmed by the CAFC.

The Court of Appeals affirmed because Petitioner failed to show that the District Court's findings were clearly erroneous or that the law was applied incorrectly. The CAFC expressly acknowledged that the test of nonobviousness requires the three inquiries mandated by *Graham* and then proceeded to determine that the District Court followed the holding of this Court. The level of skill in the art was properly determined since Petitioner does not contend to the contrary. The CAFC could not have been more clear. It found the combination of steps and elements claimed by Kalman to be nonobvious by applying the three inquiries mandated by the *Graham* Court.

Petitioner is in error on the law as well as the facts; and Petitioner's misrepresentation of the standard applied by the CAFC to determine nonobviousness is completely unjustified and unfounded. The *Graham* Court stated at 385 U. S. 1, 17:

"While the ultimate question of patent validity is one of law, . . . the § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. *Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.*" (emphasis supplied)

With respect to consideration of secondary factors, this Court very carefully pointed out that considerations such as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized "As indicia of obviousness or unobviousness" to the extent that "these inquiries may have relevancy". The CAFC made the initial conclusion that the Kalman claimed invention was nonobvious judged by the three tests mandated in *Graham*. Then, it further judged that certain relevant secondary considerations supported its judgment of nonobviousness, not as contended by Petitioner that the Court of Appeals had found the invention nonobvious because it relied *upon only secondary considerations*.

The Court of Appeals has not floun in the face of this Court's mandate in *Graham*. The decisions in the four cases relied upon by Petitioner to support its contention are not appropriate for review here. Nevertheless, in none of these cited cases did the Court of Appeals make a judgment flying in the face of *Graham*. This Court clearly mandated that secondary considerations might have relevancy as indicia of obviousness or nonobviousness. The CAFC did not hold that such secondary considerations can overcome the three tests mandated. The secondary considerations referred to by the CAFC in this case only supported the initial nonobviousness judgment of the CAFC made in accordance with the three tests of *Graham*.

The single Petitioner's question is clearly contrary to the overwhelming competent evidence of record and the proper affirmation of the District Court holding the Kalman patent valid.

CONCLUSION

For the reasons stated herein, the judgment below is free of reversible error and is supported by the credible evidence and proper application of the law in *Graham*. The Petition should be denied.

Respectfully submitted,

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